

# The MORTGAGE BANKER

VOL. 7—No. 10



JULY, 1947

## No Depression for at Least 10 Years!

That's how the head of F. W. Dodge views the future  
in estimating future public and private construction

By THOMAS S. HOLDEN

AT THE present time we are in the same phase of postwar recovery that we were in in 1920—the price stabilization phase. We have completed the first phase of shortages and rapid stepping up of peacetime production. It is to be hoped that the postwar price inflation and major labor disturbances characteristic of early postwar recovery are also behind us.

Fortunately there are a number of reasons for believing that the present phase—commodity price and construction cost stabilization—will pass without the serious deflationary aspects of the 1920-1921 depression. I consider the current recession in construction activity as a necessary adjustment of an unbalanced market situation which is likely to work itself out in a reasonably short time with a relatively minor dip in construction activity.

Overall construction volume in the 1920-1929 decade amounted to \$91,912,000,000, of which \$19,463,000,000, or 21.4 per cent, was for public construction. That decade was one in which construction demand, both public and private, arose almost exclusively from the demands of the free market and the economic needs for public building and engineering facilities. I suspect that the construction pattern of the 1920 decade, in its broad outlines, is likely to be followed in the coming decade. This would call for public construction expenditures within the range of 20 to 25 per cent of the

country's construction total. Obviously, such a conclusion cannot be based merely upon an earlier statistical record, but must also take into account probable demands for private construction in the period ahead. Private construction demand is generally recognized as being, potentially, very large.

There is another statistical relationship in the 1920-1929 record that is highly significant. During the decade total expenditures for new construction amounted to 10.8 per cent of estimated gross national product. In the succeeding decade, 1930-1939, construction accounted for only 6.5 per cent of gross national product. As has already been pointed out, the deficit in the later period was due to a marked decline in private construction. These figures may be taken as indicating a rough measure of the difference in construction activity as between a period of peacetime economic expansion and a period of depression.

There are other facts worth noting in the statistical relationship of construction expenditures to gross national product. In 1920 construction accounted for only 7.7 per cent of the total. This percentage rose steadily to 12.2 in 1927 and then fell off, gradually for a couple of years and then, precipitously. The percentage relationship of public construction to total construction was fairly constant during the whole decade of the 1920's.

My assumption of avoidance of de-

pression, for at least 10 years, is based in part upon the similarity of the present situation to that of the 1920's.

After World War I it took six years, to the end of 1924, to catch up with deferred construction demands. However, since there was a two-year setback due to price deflation and adjustment, the net recovery period was four years. The current price adjustment and stabilization will not be accompanied by a depression of anything like the severity of the one we had in 1920 and 1921.

Many people are currently predicting a future depression for the time when deferred demands have been met. I think these people have an inadequate comprehension of the dynamics of a free enterprise economy. The essence of free capitalism is its necessity to expand in order to survive; it must expand to larger and larger volumes of activity and production and to higher standards of living. A dynamic economy thrives on new ventures, new needs and new standards of its people, not merely on backlogs of unfilled orders upon accumulated blue prints of potential public works.

Depression was expected to follow after deferred demands were caught up in 1924. The reverse happened. Instead of a depression came a five-year period of general economic expansion and greater peacetime prosperity than the country had ever previously en-

(Continued page 8, col. 2)

## WHAT OTHER MBAS ARE DOING

Along about this time, most local associations curtail their activities until after Labor Day. The past twelve months has been an active period for local mortgage bankers associations and one in which MBA and these organizations have maintained an especially close relationship (see page 8). Here are some notes from recent communications from the local associations:

The Utah Mortgage Bankers Association has conducted a rather extensive campaign this year resulting in an increase of 25 per cent in membership. Recent speakers have included RALPH B. WRIGHT of the American Institute of Real Estate Appraisers, DOUGLAS MEREDITH of the National Life of Vermont, FRANKLIN D. RICHARDS of FHA and MBA Past President FREDERICK P. CHAMP.

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Out in San Francisco the Northern California Mortgage Bankers Association is completing an excellent year, WILBUR F. WARNER, president, tells us.

President Warner served on a committee two years ago which made an urban redevelopment survey and made recommendations to the legislature which were, in the main, embodied in legislation designed to clear slum areas. No effective start has yet been made on the project since it would be necessary to condemn the areas affected and dispossess a large number of families. A petition circulated by inhabitants of the area caused the San Francisco Board of Supervisors to set aside the condemnation ordinance in view of the fact that no substitute housing for the dispossessed families would be available.

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The Houston Mortgage Bankers Association meets weekly for round table luncheon discussions. Its president, T. A. ROBINSON, JR., was recently named head of the Texas Association. Commenting upon the Veterans' Housing program, Mr. Robinson said that 946 temporary rehousing housing units have been either moved or built in Houston for veterans since VJ-Day. Nine thousand, six hundred new homes were built in 1946 and completions have av-

eraged about 800 per month so far this year. The number of starts, however, has begun to decline and it is doubtful whether the rate of completions can be maintained this year, he said. Twenty-two 608 applications have been approved for a total of 383 units and 19 applications are on file, totaling 1,058 units.

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The Cincinnati Mortgage Bankers Association, like most of the local groups, will be closed down during the summer but the organization has completed an active year. According to HENRY B. BUNKER, president, the group was active in the urban redevelopment bill in the Ohio legislature.

ROBERT KEE heads the very active Detroit Association which for years has had an excellent program and meets every month.

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MBA publications haven't recently commented on the activities of the Sioux City Mortgage Bankers Association of Sioux City, Iowa. C. L. ROE tells us that the association is growing and now has a membership of 24. This is one of our younger associations and is headed by JOE T. GRANT of Sioux City. Roe adds that "our organization is deriving much good from its open forum meetings." Not long ago FRED QUINER of Des Moines, a member of the MBA Board, addressed the organization.

For some summer reading, we suggest the papers delivered at MBA's three Regional Mortgage Clinics earlier this year. Those given at Chicago have already been offered readers; now you can get most of the papers delivered at the New York and Kansas City Clinics. If we had the space we would publish them all in THE MORTGAGE BANKER; but on request, we will send any or all of those listed here.

*G.I. Lending* by Harry Held, assistant vice president, Bowery Savings Bank, New York

*G.I. Lending* by Samuel E. Neel, MBA Washington counsel

*FHA Policy Respecting Rental Housing Under Section 608 of Title VI* by Clyde L. Powell, Assistant FHA Commissioner, Washington, D.C.

*How to Obtain and Negotiate FHA 608 Loans* by Rogers Israel, Loyola Federal Savings and Loan Association, Baltimore

*Capitalization Rates, Chain Store Leasing Including Percentage and Oil Company Leases\** by George Goldstein, MAI, Newark

*Availability and Outlook for Building Materials\*\** by L. C. Hart, vice president, Johns-Manville Sales Corp., New York

*The Outlook for Interest Rates\*\** by Aubrey G. Lanston, vice president, First Boston Corporation, New York

*Current Building Problems* (Outline) by Emil Schmidlin, architect, East Orange, N. J.

*G.I. Lending* by Walter T. Robinson, director, VA Loan Guaranty Office, Des Moines

*G.I. Lending* by John H. Armbruster, Community Federal Savings and Loan Association, St. Louis

*G.I. Lending* by Walter C. Nelson, vice president, Eberhardt Company, Minneapolis

*G.I. Lending* by Neil W. Hall, The First Trust Company of Lincoln, Lincoln, Nebraska

*G.I. Lending* by Harold Schulenburg, H. A. Schulenburg Construction Company, Kirkwood, Missouri

\*Also published in full in the May 1, 1947, issue of The Commercial and Financial Chronicle, 25 Park Place, New York.

\*\*Also published in full in the April 17, 1947, issue of The Commercial and Financial Chronicle, 25 Park Place, New York.

Down in Memphis that city's old and well-established local association is continuing its valuable service to the mortgage business in its area. ROBERT M. METCALF, JR. passes along some information about what they are doing regarding slum clearance there.

Tennessee has passed legislation empowering municipal governments or its agencies to condemn areas in which sub-standard improvements exist. These instrumentalities may, in turn, resell or lease these areas to private institutional investors, which of course will be chiefly large life companies.

The city hopes to obtain these properties at prices approximately 50 per cent greater than assessed valuations.

The Act, as passed, does not limit the redevelopment of such areas to residential improvements, commercial center construction being authorized where needed.

It is anticipated that some subsidy will be necessary, either federal or city. The feeling exists, however, that a municipal subsidy, in reselling an area at a lower price than acquisition, would be worthwhile because of tax savings, reduced crime prevention costs, etc.

The way has now been prepared for private capital to take part in the redevelopment of slum areas. A more normal market will be needed to provide the impetus.

R. M. MARR of the Leader Federal Savings and Loan Association is president this year. The annual meeting won't be until September, but monthly meetings are held.

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S. R. KINSELLA is president of the St. Louis Mortgage Bankers Association this year. The organization meets every

month with the annual meeting set for next December.

Recent speakers include POWELL McHANEY, vice president, General American Life Insurance Company. Kinsella tells us that there is a lot of talk in St. Louis about redeveloping slum areas but not too much action, yet.

He passes along the results of a recent experience in the association that should interest every member.

"For some time our office, and I suppose all the others, have been plagued with applicants coming in and demanding extremely low interest rates," he said.

"They all seem to be under the impression that they should pay 3 or certainly not to exceed 3½ per cent interest. We had no particular defense against these requests except a general statement that we were not in a position to offer such a rate; and we have felt that, in most cases, these prospects went elsewhere and finally wound up accepting a rate that we were willing to offer. Our office, therefore, kept a record of recordings for a period of thirty days. These amounted to 3,163 loans and we found the breakdown very interesting:

Thirty Days' Recordings		3,163 Loans
	Interest Rate	Number of Loans
FHA	4½%	400
FHA	4%	12
FHA	3½%	1
No rate shown		450*
	6%	523
	5½%	127
	5%	742
	4½%	168
	4%	650
	3½%	55
	3%	35

\*Most of these were B. & L. 4½% and up.

"It will be noted that those loans carrying a 3½ per cent rate amounted to slightly less than 2 per cent of the total, and those carrying 3 per cent amounted to slightly over 1 per cent of the total. We followed these two rates a bit farther and found that, in the case of 3½ per cent rate, those loans exceeding five years in term amounted to 1/10 of 1 per cent of the total, and of the 3 per cent loans 1/20 of 1 per cent exceeding the five year term. We have been using these figures on our prospects and find that it takes considerable wind out of their sails when the facts are given to them."

*G.I. Lending* by Jonas Graber, Kansas FHA state director, Topeka  
*FHA Policy Respecting Rental Housing Under Section 608 of Title VI* by Franklin D. Richards, assistant FHA commissioner.

*How to Obtain and Negotiate FHA 608 Loans* by H. B. Gibbs, loan supervisor, The National Life & Accident Insurance Co., Inc., Nashville

*Financing Cooperative Housing* by Edgar N. Greenebaum, president, Greenebaum Investment Company, Chicago

*The Trend of American Business Today* by Bernard W. Dempsey, S. J., regent, School of Commerce and Finance, St. Louis University.

*Building Construction and Costs* by John T. Holsman, Holsman, Holsman & Klekamp, Architects, Chicago

*Building Construction and Costs* by Ben C. Wileman, Builder, Oklahoma City

*Building Construction and Costs* by David H. Powell, FHA district director, Kansas City

*Building Construction and Costs* by Keith W. Dancy, loan guaranty officer, VA Regional Office, Kansas City

*What Promotion and Advertising Methods Show the Most Favorable Returns* by William H. Jaffke, assistant vice president, Mercantile Commerce Bank and Trust Company, St. Louis

*The Mortgage Man's Relationship with Builders* by J. Wilson Swan, vice president, Braniff Investment Company, Oklahoma City

*Developing Better Office Personnel* by Rupert I. Hall, president, Hall Investment Company, Tulsa

*Short Cuts in Office Operation* by R. S. Brewer, vice president, The Wheeler Kelly Hagney Trust Company, Wichita

*How Can the Investor Cooperate to Improve the Company-Correspondent Relationship* by W. Braxton Ross, vice president, Morrison and Morrison, Inc., Denver

*How Can the Correspondent Cooperate to Improve the Company-Correspondent Relationship* by A. A. Zinn, vice president, The State Life Insurance Co., Indianapolis



E. L. McCONNELL is chairman of the publicity committee of the Philadelphia Mortgage Bankers Association this year. The group is an active one and holds some most interesting meetings.

E. L. CARLSON is president. A recent speaker was ROY WENZLICK who attracted nation-wide attention with his remark that real estate values are due for a sharp drop next year and that present inflated prices for real estate will vanish in 1949.

\* \* \*

D. RICHARD MEAD of Miami Beach was named president of the Mortgage Bankers Association of Greater Miami. He succeeds FRED CROZIER. Other officers are FRANK STRUBBE, vice-president; WILLIAM S. BRENTA secretary-treasurer; and CROZIER, C. W. KISTLER and P. G. DUSENBURY, directors.

On June 5 members held their last meeting until Fall and heard STUART D. CURRIER, director of the Dade County Regional Planning Board, speak on the projected program for that area.

Mr. Crozier, retiring president, was recently elected president of the Better Business Division of the Miami Chamber of Commerce.

\* \* \*

LYNN COX of the First Trust Company of Lincoln has been elected president of the Nebraska Mortgage Bankers Association to succeed GEORGE E. SALLADIN, manager of the Nebraska farm loan office of Mutual Benefit Life. At the meeting, it was decided that the annual short course on soil and water conservation and farm management, sponsored jointly by the Association and the University of Nebraska for many years, will be held in Lincoln June 20.

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The Dallas Mortgage Bankers Association is headed by W. A. MCKINLEY this year and the group meets every week for round table discussions. Legislation is pending in the Texas legislature to facilitate slum clearance.

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W. W. BALTAR heads the New Orleans Mortgage Bankers Association and the group meets monthly. The Association is well-established and is doing a constructive job in its community.

ERNEST H. HACKMAN heads the Fort Wayne Mortgage Bankers Association this year and meetings are held as the occasion demands. The chapter is small but has taken in a number of new members in the past few months.

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Last meeting until Fall of the Oklahoma Association was in Newkirk, home of President ROY C. JOHNSON. Fishing at Midgley's Ranch and golf for those who preferred made up the program during the day and that night there was a barbecue. No local mortgage group does a better job of maintaining a healthy interest in the business in its area than the Oklahoma organization.



George Albert Smith, president of the Church of Jesus Christ of Latter-Day Saints, is shown here presenting to MBA Past President FREDERICK P. CHAMP of Logan, Utah, the Silver Antelope Award for his contribution to scouting.

President Smith, member of the National Council Executive board—and himself holder of the silver buffalo, denoting national service to scouting—in making the presentation, pointed out that it was made in recognition of outstanding service to the boyhood of the region, which includes boys of Utah, Arizona, California, Nevada and Hawaii.

"Mr. Champ has been one of the greatest forces for furtherance of scouting in this region," he said.

MR. CHAMP has just been re-elected a member of the board of directors of the United States Chamber of Commerce. This will be his third term.

## People and Events

President Guy T. O. Hollyday has been named a member of the Construction and Civic Development Department committee of the United Chamber of Commerce . . . at the recent meeting of the Detroit Mortgage Bankers Association, members heard Franklin D. Richards, assistant FHA commissioner, and George A. Bremer, zone commissioner, discuss current FHA operations . . . at another meeting, members heard ARTHUR BASSETT, president, Detroit Trust Company, speak on the law of compensation as applied to the mortgage business.

John W. Weber, formerly assistant treasurer in the mortgage department of Bankers National Life, Montclair, N. J., has been named second vice president.

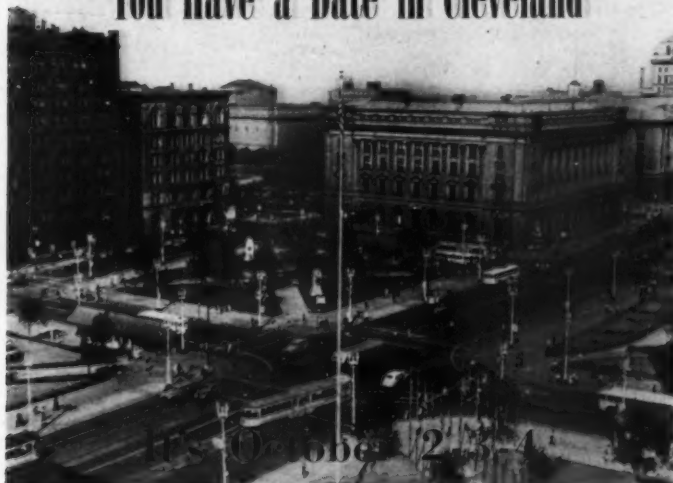
Chicago Mortgage Bankers Association had their annual summer outing June 3. Golf and the customary softball game between Bankers and Correspondents featured the day. Joe Panerali was chairman of the outing committee which included Raymond Donnersberger, Ward Gauntlett, Larry Goelzer, F. Z. Gifford, Harry H. Salk and Harold F. Yegge.

It's good news that Frank J. Mills of Ft. Wayne is out of the hospital where he was confined from March 11 to May 18. He's recovering rapidly and is going to the bank for a short time every day.

T. Howard Duckett, law partner of H. Loy Anderson, former MBA Washington counsel, was recently elected president of the Maryland Bankers Association . . . he once headed the Maryland Bar Association, probably one of the few times anyone has ever headed two such state organizations.

EDWIN H. HASSE and LOUIS R. MONTTOOTH, in the mortgage department of the Fort Wayne National Bank, have been named assistant cashiers.

## You Have a Date in Cleveland



Ten years ago this Fall, MBA members were converging on Cleveland for what later turned out to be one of the best annual conventions the Association has ever had. This year a return engagement is scheduled; and our Cleveland members, the MBA officers and your convention committee is planning the 34th annual convention along lines which insure another excellent and profitable meeting.

Cleveland is a good convention town. There's lots to do and see outside the MBA program. It's an easy place to get to no matter how you travel. Half the population of the country is within a 500 mile radius and overnight rail time from the city. All the major hotels, shopping district, transportation points, amusements, Lake Erie and other principal attractions are within a few minutes walking distance.

Norman R. Lloyd, president of Allied Mortgages, Inc., and an MBA board member, and W. E. Miller, vice president of A. D. Fraser, Inc., and president of the Cleveland Mortgage Bankers Association, head the local group in charge of arrangements.

The theme of your 34th annual Convention is *The Mortgage Business and the Future* and thus the emphasis is on what lies ahead in our field. President Hollyday met with Vice President John C. Thompson, Norman R. Lloyd, Cleveland, W. A. Clarke, Philadelphia, and Secretary George H. Patterson in

New York in early June to make preliminary plans.

The broad outline of our program has been decided upon and can be briefly described here although it should not in any sense be taken as a final draft. Invitations are just now going out.

**THURSDAY MORNING, OCTOBER 2:** Welcome address by the Mayor of Cleveland followed by the annual presidential address, a review by Washington Counsel Samuel E. Neel on current developments in the capital, followed by the annual business meeting and election of officers.

**THURSDAY AFTERNOON, OCTOBER 2:** The entire afternoon will be given over to a lecture on "Insurance Company Purchases of Real Estate" with W. A. Clarke as the speaker.

**THURSDAY EVENING, OCTOBER 2:** A session devoted to a discussion of "A Profit Sharing Plan for a Mortgage Correspondent Office." That same evening three other meetings will be held—one for those interested in G.I. lending, another for FHA 203 and 603 loans and a third for those interested in 608 projects. Each of these will be in charge of government agency heads.

**FRIDAY MORNING, OCTOBER 3:** To be opened by a brief address on U.S. savings bonds followed by a discussion on "Compensation of Loan

Solicitors—Straight Salary as Against Commission." Following this will be another discussion of "Proved Methods of Advertising."

**FRIDAY AFTERNOON, OCTOBER 3:** This session will be broken down into two sections — one for bankers and another for mortgage loan correspondents but the subject under review will be the same at each—namely, "Small Ways to Save Money on Mortgage Loan Operations." Each panel will consist of at least four men.

**FRIDAY EVENING, OCTOBER 3:** Night club party at the Rainbow Room of Hotel Carter. Two top bands will furnish continuous music. The Cleveland people are planning this on a big scale and it will be a high spot in the three-day program.

**SATURDAY MORNING, OCTOBER 4:** On the last morning the discussion topic will be "Shopping Centers." At this meeting members will also hear comments on their appraisal of a downtown business property and a store location in a shopping center.

**SATURDAY EVENING, OCTOBER 4:** Annual banquet and for the speaker our committee is inviting one of the best-known and respected men in public life. We hope we get him.

So that's about it. How nearly our final program will parallel these initial plans remains to be seen but it is the committee's principal idea to work up a program that will have the greatest practical value for those attending but, at the same time, give you plenty of time for contacts, renewing acquaintances and "seeing people." The August issue ought to have more detailed information along these lines.

**ADVANCE REGISTRATIONS:** This year MBA is inaugurating advance registrations so that on arrival you won't have to wait to be registered. It will also mean making available to you immediately a registration list without having to wait until the end of the first day for a preliminary list.

You have just received from the National office a form which you are to fill out and return with the registration fee. We will then acknowledge and send you a receipt to present at the advance registration desk when  
(Continued page 7, column 3)

# The Correspondent System Is Best

Says vice president of Minnesota Mutual Life who observes that a study shows no difference in net obtained through the two plans

By NORMAN H. NELSON

TO ME the mortgage loan correspondent is the most interesting part of the entire investment business. With him we are dealing in human relations, in the vast field of human behavior. He is much more interesting than are valuations or market swings, than indenture terms or investment policies. He is a human being and usually a very lovable one.

His activities date from biblical times and his product, the mortgage, is an early form of literature, although poor reading at its best. It is found on stage and in courts—and always on homes.



A 60-year old dictionary of mine defines "correspondent" to mean "harmonious," "consistent" and "one who agrees." Of course that dictionary is an old one.

The mortgage loan correspondent today, as he undoubtedly did in the past, serves in many capacities. He represents two clients, the mortgagor and the investor. He sits as judge with respect to the merits of a proposed loan and the borrower's ability to pay. He acts as agent, independent contractor and salesman. He dictates terms and sells his ideas. He is a graduate student in psychology and the most persuasive individual one can meet. Through all of this he maintains a sense of balance and of relative values. His occupation is an art as well as a profession.

The loan correspondent has been helped tremendously in creating loan volume by FHA and lately by VA. Whereas GI loans are not exactly in the automatic class, yet investors have been liberal in their purchase of them.

It is self-evident that life insurance companies generally owe much of their mortgage portfolios to the efforts and aggressiveness of the loan correspondent. The life insurance company needs

the loan correspondent; it relies on him to a large extent for its mortgage business and should ever be ready to protect his interests and to advance them. The loan correspondent recognizes this relationship and the dependence of each upon the other. This association of loan correspondent and life insurance company is one of the finest to be found anywhere; it will survive and prosper. Each, however, must continually strive to understand the other's problems and be willing and ready to meet the other one half way in all matters of importance.

The loan correspondents are leaders in their communities. They are well-known and able—perhaps much more able in their field than I would be were I to leave the home office and open an office in competition with them.

They have a keen interest in their cities and having lived there most of their lives, as is often the case, they have a fund of information to draw on which can be extremely valuable to the companies they represent. This fund of information relates to property, people and conditions in general. They should see that it reaches their respective loan outlets.

In addition, their long residence in the community has developed many *avenues* and *sources* of information which, in turn, help the companies they represent to avoid costly mistakes.

Then, too, in dealing with a loan correspondent, a life insurance company benefits by his independent views, often forcibly expressed and always straight from the shoulder. Differences of opinion arise which, when carefully considered, are more likely to result in the proper conclusion by such company.

The loan correspondent absorbs some risks, particularly on construction loans, which the insurance company might otherwise have to wrestle with. He does this gladly when he is building for himself.

The loan correspondent is able to

take a stand for or against certain legislation, something which the life insurance company is not always in a position to do.

He enables an investor to start in a new mortgage field and build up gradually and more safely without an immediate, large overhead expense; and, finally, if company policy dictates withdrawal from an area the change can be more easily met.

One cannot speak adequately of the loan correspondent and his place in the investment field without considering branch offices for they are part and parcel of this subject. (Incidentally, the views which I express with regard to branch offices are my personal views and not necessarily those of my company or of MBA headquarters.)

There are two kinds of branch offices:

First, the *supervisory* branch office, which does not develop loans directly, but is able to pass on loans offered to it by our mortgage banker members. This type of branch office is helpful, speeds action on your loans and might well be encouraged by those of you who have insufficient outlets.

The other type, the *direct development* branch office, is the one of which I speak.

The establishment and expansion of branch offices which develop their own loans and which compete directly with you loan correspondents and mortgage bankers generally, is, I think, the wrong approach.

One recent reliable study showed that there was no distinct difference to be found in the gross or net income ratios obtainable under the two systems of acquiring loans, whether through branch offices or through loan correspondents and other agents. That alone should be a good reason to encourage the loan correspondent system.

The loan correspondent—as well as the insurance company which operates branch offices for the *direct develop-*

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Published Monthly at 111 West Washington Street, Chicago 2, by the

## MORTGAGE BANKERS ASSOCIATION OF AMERICA

GUY T. O. HOLLYDAY   JOHN C. THOMPSON   GEORGE H. PATTERSON   MILLER B. PENNELL   G. H. KNOTT  
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JULY, 1947

## Alpha A. Zinn, MBA President 1929-30, Dies Suddenly in Indianapolis

With deep regret the Association announces the death of its past president, Alpha A. Zinn of Indianapolis. Death occurred Thursday, June 19, as a result of a heart attack. Funeral services were held in Indianapolis Saturday,



June 21. Secretary George H. Patterson represented the Association. Other MBA members attending, in addition to those from Indianapolis, were C. W. Kistler, Miami; Norman Nelson, Minneapolis; Ennis E. Murrey, Nashville; Fred J. Freiner, St. Louis; George W. Fawell and George McHenry, Chicago; T. J. Bettes, Houston and James N. Tardy, Dallas.

Mr. Zinn was one of the most active and helpful members the Association has ever had. He joined MBA in 1924—a quarter of a century ago and just ten years after organization—and played an active and constructive role each year since that time. He had served on many committees, including the executive, convention and nominating. He was president in 1929-30 during a particularly vital period in the mortgage business.

He was known to as many members as probably any other member in the Association and was interested in every activity which MBA undertook. This interest was no mere academic thing: he was also willing to pitch in and give his time and efforts to anything that would promote the best interests of

MBA and the mortgage industry. His counsel and guidance will be missed.

At the time of his passing, he was vice president of the State Life Insurance Company of Indianapolis, a position he had held since 1932. Prior to that, he was with the Commerce Trust Company in Kansas City.

To his family and associates go our deep sympathy. He will always be remembered for the constructive and important contribution he made to the mortgage industry and this organization during the past 25 years.

## Personnel

### UNUSUAL LOAN OPPORTUNITY

An old, well-established mortgage company in small Mountain States city has extremely attractive opportunity for man in thirties or early forties. Must be experienced handling all types loans for institutional investors. FHA experience won't be enough—firm's principal business conventional loans farms, residential and city property. Will be subordinate to only two other men. Will live in small attractive western city where living costs are lower, fine for raising family. Excellent educational opportunities. Opportunity carries eventual ownership privileges. If this brief description interests you, write to Box 135, Mortgage Bankers Association of America, 111 West Washington street, Chicago 2, for the more complete information necessary for evaluating this unusual opportunity.

### WANTED: MORTGAGE OFFICER

One of Houston's foremost lending institutions, with top-flight group outlets affording unlimited funds, has opening man in 30's-40's age bracket thoroughly experienced mortgage lending and loan production work. Some individual production and ability direct assistants expected. Must be caliber presently accept full responsibilities senior executive officer. Experience ranging field production man to branch manager or senior officer can qualify. Beginning compensation open commensurate experience and ability. Can expect presently exceed very considerable earnings any similar position in Texas. Our officers aware this advertisement. Replies held strictest confidence. Answering please give age, present earnings, experience in detail and three references. Write Box 135, Mortgage Bankers Association of America, 111 West Washington St., Chicago 2.

### LIFE COMPANY WANTS MAN

Experienced mortgage man wanted by an Eastern life insurance company. Position requires thorough knowledge of all phases of mortgage and real estate business including appraising. Knowledge of Chicago and Mid-Western section necessary. Headquar-

ters to be in Chicago. Excellent opportunity. Mail complete outline of experience and qualifications to Box 137, Mortgage Bankers Association of America, 111 West Washington St., Chicago 2.

## NEW MBA MEMBERS SO FAR THIS YEAR TOTAL 104

This year's membership drive has passed the one hundred mark and appears likely to finish ahead of that of last year. One hundred and four new members have been admitted so far, the one hundredth member being American Mutual Fire Insurance Company of Charleston, S. C. As of the end of June last year, 113 members had been admitted and during all of the Association year ended August 31, 1946, a total of 118 members were admitted. Based upon applications now being received and those who have made inquiries, it seems certain that we will surpass the 1945-46 total.

Howard B. Moffitt, vice president of Realty Mortgage and Sales Company, Oklahoma City, and an MBA regional vice president, has headed the drive as chairman. New members admitted have been well distributed geographically and many live in sections of the country where additional strength has been particularly desired.

Membership efforts have not emphasized merely an increase in numerical strength but have been concentrated on securing the affiliation of strong institutions not heretofore members.

## You Have a Date in Cleveland

(Continued from page 5)

you arrive. An envelope containing program, badge, registration list, banquet ticket and other material will be ready and waiting. You'll find the arrangement convenient.

But remember: to get on this advance registration list, you must have your reservation in *by September 15!*

**ROOM RESERVATIONS:** All room reservations are being made through our special Housing Bureau. Members have already received the forms. Rooms are now being assigned at the various hotels where we have space. If you haven't yet been assigned a hotel, you will very soon.

**REGISTRATION RESTRICTION:** Every member should note carefully that the Convention this year is limited to *members only*. Increase in membership in recent years and the resulting increase in Convention and Clinic attendance makes this necessary.

## The MBA Story Was Told Coast to Coast, East to the Gulf, in 1947 Speeches

With the summer right on top of us and most local mortgage bankers associations curtailing their activities until after Labor Day, this seems an appropriate time for some retrospective comments on the extensive program which has been carried out since last summer on behalf of MBA. President Hollyday and Washington Counsel Neel have been responsible for it.

It has been the most comprehensive effort the Association has ever seen to interpret the national Association to the various local groups and has included visits to most of the local associations over the country. It has been a coast-to-coast, East-to-the-Gulf-Coast affair.

The most recent of these meetings were Richmond, Va., on June 10 and Pittsburgh June 12 where both President Hollyday and Washington Counsel Samuel E. Neel addressed the local groups.

The campaign began last August with a trip by Mr. Neel to Hartford to confer with insurance executives there followed by his appearance before the Philadelphia and St. Louis associations. In November, President Hollyday and Mr. Neel began their series of joint appearances before other associations, many of these at the annual meetings. These included the New Jersey, Southern California, Northern California, Portland, Ore., Seattle, Minneapolis-St. Paul and Detroit associations followed by a joint appearance in Philadelphia.

In March, Mr. Neel spoke before the Baltimore association and again in St. Louis and addressed both the Kansas City and New York clinics. Both he and President Hollyday appeared before the Mortgage Dealers Division of the Kansas City Real Estate Board at the time of the Kansas City clinic. Following these meetings both went to Milwaukee where they addressed the local association there.

In addition to these President Hollyday also addressed the annual meeting of the Texas association in Galveston and was the guest speaker at meetings of the Birmingham and New Orleans associations.

Between them, President Hollyday and Mr. Neel have visited 24 local mortgage bankers and related associations during the present administration year—a record for MBA. Particularly



Mr. Hollyday



Mr. Neel

gratifying has been the response from these meetings partly because both President Hollyday and Mr. Neel have been in close touch with the rapidly changing Washington developments and have been in a position on each occasion to bring MBA members in the local groups up to the minute on current and prospective developments affecting the mortgage industry.

The effort has been a big time-consumer for both—probably 25,000 miles traveling is a safe estimate. President Hollyday, at the start of his year, was convinced that an important job lay ahead in maintaining our close association with the local groups.

In each meeting, both speakers have commented on current mortgage developments and at the same time using the occasion to bring members up to date on what MBA is doing, its plans for the future and its objectives. Thus, the Association has been on the receiving end this year of a carefully planned public relations campaign, the results of which will continue to be felt for a long time.

### NO DEPRESSION!

*(Continued from page 1)*

joyed. Basis of that expansion was a sound industrial development, in which the growth of the automotive industry and allied industries played dominant roles. In that period, gross national product was greater than in the preceding five-year period, and a larger

percentage of gross national product was expended for private and public construction. Unfortunately, a sound growth of basic industries was accompanied by a deflation of agriculture, speculative excesses in capital values, and an unsound foreign policy, which in combination produced the imbalance that resulted in the collapse of 1929.

I do not suggest that this pattern of the 1920 decade is a surefire formula for the period ahead. It does suggest that avoidance of depression is very much a matter of recognizing and correcting imbalances early enough to prevent an economic collapse.

I would say that the question of whether there will be a future economic crisis when deferred demands have been met depends for its answer upon the solutions we find in the current recovery period for our immediately pressing problems of industrial labor relations, taxes, public debt and international relations. Sound and workable solutions to these problems will determine whether the phase of postwar recovery following the catching up with deferred demands will be one of expanding prosperity, of comparative stagnation, or depression. To assume at this time that our people will fail to set their own house in order and to meet their responsibilities is to sell America short. That I am not ready to do.

In an expanding economy every new enterprise, every new development in education, in religious, social and community life creates a demand for new construction. Each new activity must be fittingly housed in appropriate buildings suited to its functions. New needs of families and individuals, new modes of living, new means of transportation all feed the demand for new structures.

### The Correspondent System Is Best

*(Continued from page 6)*

ment of mortgage loans—will do well to take stock of the effect which such a branch office system will have, if further expanded, upon the mortgage business of the independent mortgage banker and loan correspondent.

The loan correspondent was one of the pioneers in the development of mortgage loans. His friends will want him to retain leadership in that position.



